DRAFT

(R) 135

Question: Does the New Zealand arrangement mean that the State Department has retreated from its opposition to direct or indirect sales of U.S. butter to the Soviet Union?

Answer: This arrangement is not so airtight as we would have wished in a perfect world. There is a certain unavoidable fungibility in the sale of any commodity. However, we have reached a practical arrangement under which the New Zealand Dairy Board has agreed not to sell this butter to the Soviet Union. Apart from P.L. 480 aid shipments this is the first example I know of in recent years where we have insisted on that stipulation in the sale of surplus commodities.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 4/4/84
RDS ☐ or XDS ☐ EXT. DATE _____
TO AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS
DECLASSIFIED ☐ RELEASABLE ☑
RELEASE DENIED ☐
PA or FOI EXEMPTIONS _____

Drafted: EB:EJohnston:meh
8/5/81:27950